



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

February 13, 2015

To: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai
Interim Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE - CLIMATE CHANGE BILL PACKAGE

Executive Summary

This memorandum provides a report on the California Climate Leadership Package announced by Senate President pro Tempore Kevin de León on February 9, 2015.

Background

On February 9, 2015, Senate President pro Tempore Kevin de León announced a package of legislative proposals focused on clean energy and climate change - the California Climate Leadership Package. The proposal includes four bills which would set benchmarks for pollution reduction, energy efficiency, and petroleum use and which would seek to foster innovation, investment, and job creation in the advanced energy sector. Senator de León indicated that this will be the first in a series of bills introduced by Senate Democrats to address climate change and protection of the environment.

The California Climate Leadership Package includes the following four bills:

SB 32 (Pavley), which as introduced on December 1, 2014, would set climate pollution reduction targets for 2050. Specifically, the bill would: 1) require the State Air Resources Board (ARB) to approve a statewide greenhouse gas emission limit that is equivalent to 80 percent below the 1990 level to be achieved by 2050; 2) authorize the ARB to adopt interim greenhouse gas emissions level targets to be achieved by 2030

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and 2040; and 3) state the intent of the Legislature and State agencies to adopt complementary policies that ensure long-term emissions reductions advance specified criteria.

SB 32 has been referred to the Senate Environmental Quality Committee, but no hearing date has been set.

SB 185 (De León), which as introduced on February 9, 2015, would: 1) create the Public Divestiture of Thermal Coal Companies Act and require the boards of the Public Employees' Retirement System (PERS) and the State Teachers' Retirement System (STRS) to divest the public employee retirement funds of any investments in a thermal coal company; 2) prohibit additional or new investments or the renewal of existing investments in a thermal coal company by PERS and STRS; 3) require the PERS and STRS boards to liquidate their investments in a thermal coal company; and 4) require, on or before January 1, 2017, the PERS and STRS boards to file a report to the Legislature and the Governor, containing specified information, including a list of investments and companies of which it has divested.

SB 185 is pending referral to a policy committee for hearing.

SB 189 (Hueso), which as introduced on February 9, 2015, would: 1) create the Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee, comprised of seven members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules; 2) require the committee to advise State agencies on the most effective ways to expend clean energy and GHG related funds and implement policies in order to maximize California's economic and employment benefits; and 3) require the committee to provide an annual update to the Governor and the appropriate policy and fiscal committees of the Legislature on its activities.

SB 189 is pending referral to a policy committee for hearing.

SB 350 (de León), which is not yet in print, would implement the Renewable Portfolio Standards Program with a goal of reducing petroleum use by 50 percent by 2030, increasing energy efficiency in existing buildings by 50 percent by 2030, and increasing utility power coming from renewable energy to 50 percent by 2030. According to draft bill language released by Senator de León's office, SB 350 would:

- 1) Express the intent of the Legislature for the purposes of the Renewable Portfolio Standards Program (RPS Program) to increase the amount of electricity generated per year from eligible renewable energy resources to at least 50 percent by December 31, 2030;

- 2) Require the Public Utilities Commission, by January 1, 2017, to establish a quantity of electricity products to ensure that energy resources procured by electricity retail sellers come from eligible renewable energy resources to achieve 50 percent of retail sales by December 31, 2030;
- 3) Require the governing boards of local publicly-owned electric utilities to ensure that specified quantities of electricity products come from eligible renewable energy resources to achieve 50 percent of retail sales by December 31, 2030;
- 4) Exclude all facilities engaged in the combustion of municipal solid waste from being eligible renewable energy resources;
- 5) Require community choice aggregators and electric service providers to prepare and submit renewable energy procurement plans; and
- 6) Require the various standards related to emissions from motor vehicles adopted by the State Air Resources Board to be in furtherance of achieving a reduction in petroleum use in motor vehicles by 50 percent by January 1, 2030.

The RPS Program currently requires investor-owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy resources to 33 percent of total procurement by 2020.

The goals of SB 350, as proposed, appear to be aligned with a proposal in the Governor's January budget, in which the Administration indicated its intention to work with the Legislature to develop greenhouse gas reduction targets for 2030 that facilitate a total reduction in emissions of 80 percent below 1990 levels by 2050.

This office is working with affected departments to determine the potential impact of these measures to the County.

We will continue to keep you advised.

SAH:MR
AO:ma

c: All Department Heads
Legislative Strategist